

VIRGINIA DEPARTMENT OF ENERGY

BEFORE THE VIRGINIA GAS AND OIL BOARD

Applicant: EnerVest Operating, L.L.C. )  
)  
)  
Relief Sought: Pooling VCI-600022 Nora Grid 95-BK )  
Nora Coalbed Gas Field )  
Legal )  
Description: )  
J.R. Johnson T-592 Tract ) Docket Number:  
60.00 acres, more or less ) VGOB-25-1021-4306  
Hurricane District )  
Big A Mountain Quadrangle )  
Buchanan County, Virginia )  
)  
(See Exhibit "A" For Specific )  
Description) )

APPLICATION

1. Parties: Applicant herein is EnerVest Operating, L.L.C., whose address for the purposes hereof is 408 West Main Street, Abingdon, Virginia 24212 Telephone: (276) 628-9001. The attorney for Applicant is Timothy E. Scott, whose address is 135 West Main Street, Suite 200, Kingsport, Tennessee 37660, Telephone: (423) 247-9376. The unleased entities or persons are listed on Exhibit B-3, attached hereto and made a party hereto. Set forth in Exhibit B is the name and last-known address of each owner of record identified by Applicant as having an interest in the oil, gas and coalbed methane underlying the unit described in Exhibit A, attached hereto and made part hereof. Each of the unleased individuals named in Exhibit B-3 is being made a party if living; if any such individual is deceased, then the unknown heirs, executors, administrators, devisees, trustees and assignees, both immediate and remote, of any such deceased individual are made parties herein. Each of the unleased entities listed in Exhibit B-3 that is a corporation is being made a party if such entity continues to have legal existence, and if any such corporation is dissolved, then the unknown successors, trustees, and assigns, both immediate and remote, of such dissolved corporation are made parties herein. Each of the unleased entities listed in Exhibit B-3 that is an unincorporated association is being made a party if such entity continues to have legal existence, and if any such unincorporated association is dissolved or otherwise not in existence, then the unknown successors, trustees and assigns, both immediate and remote, of such unincorporated association are made parties herein.

2. Allegation of Facts: Applicant is the owner of the right to develop and produce coalbed methane from all formations, from the surface to the total depth drilled within the Nora Coalbed Gas Field and underlying the lands described on Exhibit A attached hereto and made a part hereof and to appropriate the oil, gas and coalbed methane produced therefrom.

(a) Applicant has proposed a plan of development and operation of the Formations underlying the drilling unit involved herein (described and depicted on Exhibit A attached hereto and made a part hereof) and has proposed to commence such plan of development and operation of such unit by a well, designated as well number VCI-600022 Nora Grid 95-BK under such plan in the lands involved herein so as to produce oil, gas and coalbed methane from the proposed unit.

- (b) A Well work permit for well number VCI-600022 Nora Grid 95-BK is currently or is anticipated to be pending before the Virginia Department of Energy.
- (c) Applicant has exercised due diligence to locate each of the oil, gas and coalbed methane interest owners named herein at Exhibit B-3 and has made or is making a bona fide effort to reach an agreement with all unleased parties as to pooling their interest for the development and operation of the well involved herein. Simultaneously with the filing of this application, Applicant has provided notice to each of the unleased parties set forth in Exhibit B-3 pursuant to the provisions of § 45.2-1618 of the Virginia Code Annotated. Applicant hereby notifies the Board that where the identity or location of any person is shown as "unknown" on Exhibit B-3, then Applicant is unable to provide such person with written notice of the application herein. The interest of all unleased persons in the Formations underlying the drilling unit for well number VCI-600022 Nora 95-BK should be pooled for the development and operation thereof.
- (d) Applicant proposes to drill at the permitted location to an approximate depth of 3,400 feet on the Subject Lands to test for oil, gas and coalbed methane in the Subject Formations, including all Pennsylvanian age coals from the top of the Aily, including but not limited to Raven, Jawbone Rider, Jawbone, Tiller, Upper Seaboard, Greasy Creek, Upper Horsepen, Middle Horsepen, War Creek, Beckley, Lower Horsepen, Pocahontas #9, Pocahontas #3, Pocahontas #2, and Pocahontas #1 and any unnamed coal seams and other associated formations known as the Nora Coalbed Gas Field. Applicant estimates the cost for a well to said depth to be \$790,067.00 for a well completed for production. Exhibit C, attached hereto and made part hereof, is Applicant's signed Authorization for Expenditure ("AFE") which shows the estimated cost of drilling, completing and equipping said well.
- (e) The estimated production over the life of the proposed well is 850 mmcf.

3. Legal Authority: The relief sought by this Application is authorized by Virginia Code Annotated § 45.2-1620 et seq. and § 4 VAC 25-160-70 et seq.

4. Relief Sought: Applicant requests the Virginia Gas and Oil Board to enter an order pooling all unleased interests or estates of all persons or entities owning oil, gas and coalbed methane interests in the Formations underlying the tracts encompassed by the drilling unit supporting well number VCI-600022 Nora Grid 95-BK, and (I) authorizing the drilling and operation of a well for the production of oil, gas and coalbed methane from the pooled acreage; (II) designating Applicant as the party authorized to drill and operate such well; (III) prescribing the time, manner, and other conditions under which unleased parties owning an interest in the oil, gas and coalbed methane may elect to participate in the operation of such well, or to exercise their rights of election under the applicable statutes; (IV) providing that all reasonable costs and expenses of drilling, completing, equipping, operating, plugging and abandoning such well shall be borne, and all production therefrom, shared, by all participating parties in the proportion which the acreage in the pooled tracts owned or under lease to each such participating party bears to the total acreage in such unit; and (V) making provision for the payment of all reasonable costs of the operation, including a reasonable supervision fee, to the Applicant by all parties who elect to participate therein or who elect to be carried interest owners.

Dated this 19<sup>th</sup> day of September, 2025.

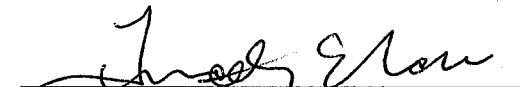
ENERVEST OPERATING, L.L.C



Timothy E. Scott  
135 West Main Street, Suite 200  
Kingsport, Tennessee 37660  
(423) 247-9376

**VERIFICATION**

The foregoing Application to the best of my knowledge, information and belief is true and correct.

  
Timothy E. Scott

VIRGINIA DEPARTMENT OF ENERGY

BEFORE THE VIRGINIA GAS AND OIL BOARD

Applicant: EnerVest Operating, L.L.C. )  
)  
)  
Relief Sought: Pooling )  
)  
Location: See Exhibit "A" ) Docket No.  
Well Number: VCI-600022 Nora Grid 95-BK ) VGOB-25-1021-4306  
Nora Coalbed Gas Field )  
)  
Legal )  
Description: J.R. Johnson T-592 Tract )  
60.00 acres, more or less )  
Hurricane District )  
Big A Mountain Quadrangle )  
Buchanan County, Virginia )

NOTICE OF HEARING

HEARING DATE: October 21, 2025  
PLACE: 3405 Mountain Empire Rd, Big Stone Gap, VA  
24219  
TIME: 10:00 a.m.

COMMONWEALTH OF VIRGINIA: To all unleased persons owning an interest in the oil, gas and coalbed methane in and underlying the unit surrounding VCI-600022 Nora Grid 95-BK described on Exhibit "A" to the Application, which is attached to this Notice, in Buchanan County, Virginia (hereinafter "Subject Lands") and adjacent lands, and in particular to the following persons, their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote:

See attached Exhibit B-3.

NOTICE IS HEREBY GIVEN that the Applicant is requesting that the Virginia Gas and Oil Board (hereinafter "Board") issue an order re-pooling all the rights, interests, and estates of the unleased persons pursuant to Virginia Code Ann. § 45.2-1600 *et seq.* in regard to the drilling, development and production of oil, gas and coalbed methane from drilling unit VCI-600022 Nora Grid 95-BK containing approximately 58.80 acres, located on the above-referenced tracts situated approximately 1,720 feet Southwest of the intersection of Virginia Routes 602 and 692 and approximately 1,500 feet West of Combs Ridge School in Buchanan County, Virginia.

Applicant requests that the Board issue an order providing as follows:

- a. Pooling all the interests and estates of the persons named herein and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, for the drilling, development and production of oil, gas and coalbed methane from the subject drilling unit for the Subject Formations underlying and comprised of the Subject Lands;

b. Establishing a procedure whereby each person named herein shall have the right to elect (1) to assign or lease his oil, gas and coalbed methane interest in the subject drilling unit to the designated operator; (2) to enter into a voluntary agreement with the designated operator to share in the operation (including the sharing in all reasonable costs of the drilling of the well and development of the unit) at a rate of payment mutually agreed to by the person making the election hereunder and the designated operator herein; or (3) to share in the operation of the well as a nonparticipating operator on a carried basis after the proceeds allocable to such person's share equal the following:

In the case of a leased tract, 300 percent of the share of the costs allocable to such person's interest; or

In the case of an unleased tract, 200 percent of the share of costs allocable to such person's interest;

c. Providing that any person named herein who does not make a timely written election under the terms of the Order to be entered herein shall be deemed to have leased his oil, gas and coalbed methane interest in the subject drilling unit to the operator designated herein at a rate to be established by the Board;

d. Designating Applicant, EnerVest Operating, L.L.C., as Operator; providing that the Operator shall have the right to drill, develop, produce, market and sell oil, gas and coalbed methane produced from the subject drilling unit; granting the Operator the right to market and sell oil, gas and coalbed methane produced from the subject drilling unit which is attributable to the conflicting claims and interest pooled herein; providing that the Operator shall have an operator's lien on the oil, gas and coalbed methane estate and rights owned or claimed by the unleased persons named herein in the subject drilling unit; and granting the Operator the right to drill at any legal or specially permitted location on the subject drilling unit;

e. Making any necessary provision for the escrow of funds pursuant to Va. Code Ann. § 45.2-1622;

f. Providing that the Order to be entered herein shall expire two (2) years from the date of its issuance if operations for the development of the subject drilling unit have not commenced by said date; but further providing that if operations have commenced during said two year period, then said order shall remain in effect for so long as operations continue on the subject drilling unit;

g. Providing that the conduct of operations on any tract in the subject drilling unit shall be deemed to be the conduct of operations on all tracts in the drilling unit; and providing that the production allocated to any tract in the pooled drilling unit shall be in the same proportion as the acreage of that tract bears to the total acreage in the drilling unit; and

h. Granting such other relief as is merited by the evidence and is just and equitable, whether or not such relief has been specifically requested herein.

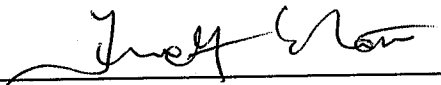
NOTICE IS FURTHER GIVEN that this cause has been set for hearing and the taking of evidence before the Board at **10:00 a.m. on October 21, 2025** at 3405 Mountain Empire Rd, Big Stone Gap, VA 24219 and that notice will be published as required by the law and the rules of the Board.

NOTICE IS FURTHER GIVEN that you may attend this hearing, with or without an attorney, and offer evidence or state any comments you have. The Board rules require that any written objections you wish to file must be filed with the Board at least 10 days before the hearing. For further information, contact the Virginia Gas and Oil Board, State Gas and Oil Inspector, Virginia

Department of Energy, Division of Gas and Oil, 3405 Mountain Empire Rd, Big Stone Gap, VA  
24219, (276) 523-8100 or the Applicant at the address shown below.

DATED this 10<sup>th</sup> day of September, 2025.

EnerVest Operating, L.L.C.  
408 West Main Street  
Abingdon, Virginia 24212



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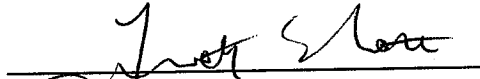
Timothy E. Scott

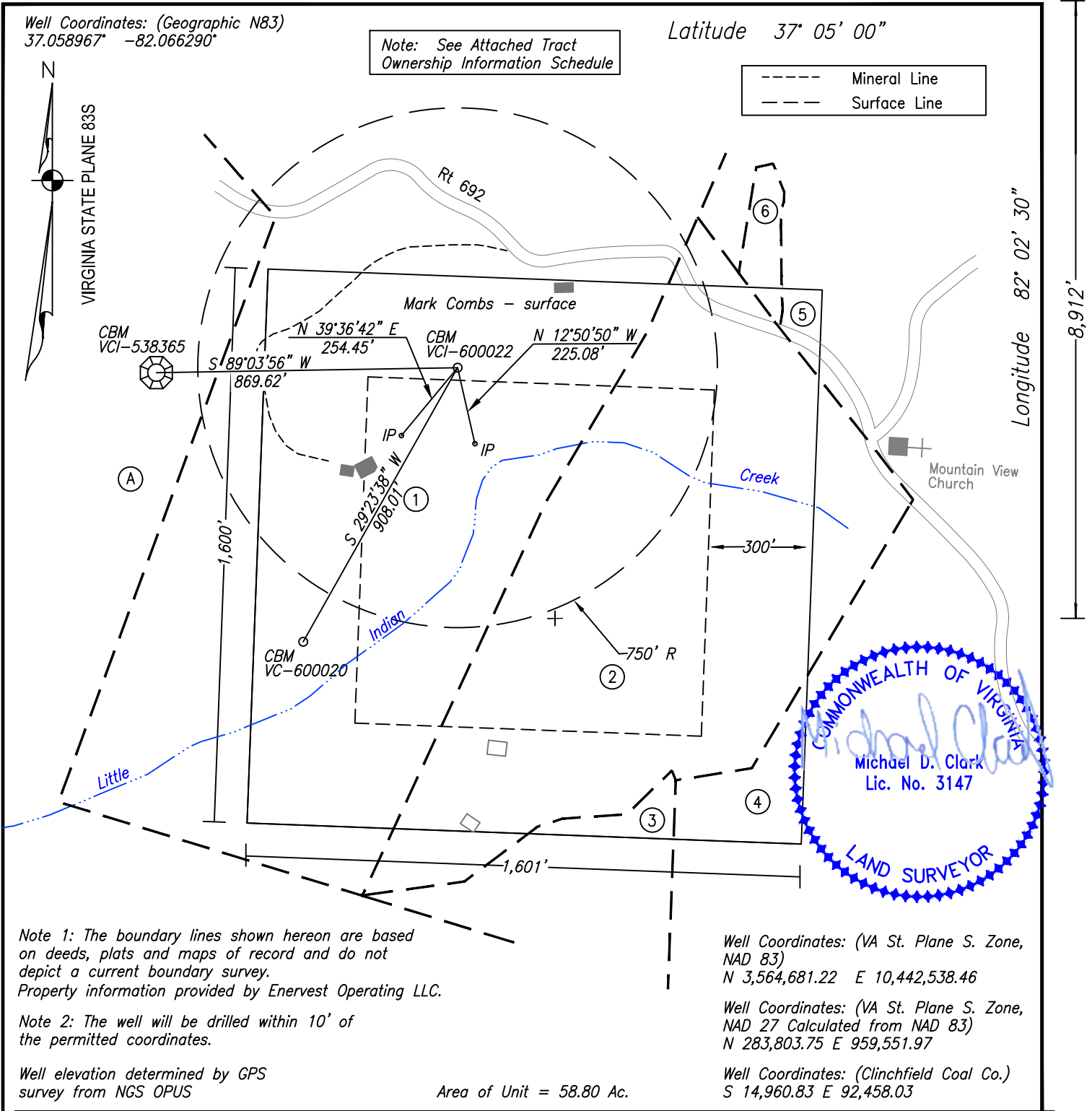
Counsel for  
EnerVest Operating, L.L.C.  
135 West Main Street  
Suite 200  
Kingsport, Tennessee 37660  
(423) 247-9376

CERTIFICATE OF SERVICE

I, Timothy E. Scott, counsel for EnerVest Operating, L.L.C., hereby certify that I have on this, the 1<sup>st</sup> day of September, 2025, caused the foregoing notice and application to be served upon parties listed herein, at their address, by certified mail, return receipt requested.

Dated this 1<sup>st</sup> day of September, 2025.

  
\_\_\_\_\_  
Timothy E. Scott



Note 1: The boundary lines shown hereon are based on deeds, plats and maps of record and do not depict a current boundary survey. Property information provided by Enervest Operating LLC.

Note 2: The well will be drilled within 10' of the permitted coordinates.

Well elevation determined by GPS survey from NGS OPUS

Area of Unit = 58.80 Ac.

Well Coordinates: (VA St. Plane S. Zone, NAD 83)  
 N 3,564,681.22 E 10,442,538.46

Well Coordinates: (VA St. Plane S. Zone, NAD 27 Calculated from NAD 83)  
 N 283,803.75 E 959,551.97

Well Coordinates: (Clinchfield Coal Co.)  
 S 14,960.83 E 92,458.03

WELL LOCATION PLAT NORA GRID BK-95

COMPANY EnerVest Operating, LLC WELL NAME AND NUMBER VCI-600022  
 TRACT NO. \_\_\_\_\_ ELEVATION 2,389.30 QUADRANGLE Big A Mountain  
 COUNTY Buchanan DISTRICT Hurricane SCALE 1" = 400' DATE 3-7-25

This Plat is a new plat x; an updated plat \_\_\_\_\_; or a final location plat \_\_\_\_\_  
 + Denotes the location of a well on United States topographic Maps, scale 1 to 24,000, latitude and longitude lines being represented by border lines as shown.

~~Licensed Professional Engineer or Licensed Land Surveyor~~

3-7-25

- ① T-592  
J. R. Johnson  
60 Acres  
ACIN LLC - coal  
Paramont Contura, LLC - coal lessee  
WBRD LLC - coal  
Dickenson-Russell Contura, LLC - coal lessee  
EnerVest XIV-A NORA LLC, EnerVest Energy Institutional Fund XIV-1A, L.P., &  
EnerVest XIV-WIC NORA, LLC - oil, gas & CBM  
Gas 28.48 Ac. 48.44%
  
- ② 32.5 Acres  
Levisa Coal Corp. - coal (CBM)  
Meredith I. Jennings, et als - oil & gas (CBM)  
CNX Gas Company, LLC, Lessee  
Gas 26.79 Ac. 45.56%
  
- ③ Unleased  
7.25 Acres  
I.W.J. Hylton Heirs - oil & gas (CBM)  
John H. & Nealy P. McGlothlin Heirs - coal (CBM)  
Gas 0.74 Ac. 1.26%
  
- ④ Unleased  
32 Acres  
Ronald Johnson et al. - coal, oil & gas (CBM)  
Gas 2.17 Ac. 3.69%
  
- ⑤ Harrison - Wyatt, LLC - Coal  
951 Acres  
David & Joyce Johnson - oil & gas (CBM)  
5.14 Acres  
Gas 0.49 Ac. 0.83%
  
- ⑥ Harrison - Wyatt, LLC - Coal  
951 Acres  
Gregory & Audrey Rasnake - oil & gas (CBM)  
0.851 Acres  
Gas 0.13 Ac. 0.22%
  
- Ⓐ Lease NO. 906889 / TC-593  
W.P. Jackson  
149 Acres  
ACIN LLC - coal  
Paramont Contura, LLC - coal lessee  
Dickenson-Russell Contura, LLC - coal lessee  
EnerVest XIV-A NORA LLC, EnerVest Energy Institutional Fund XIV-1A, L.P., &  
EnerVest XIV-WIC NORA, LLC - oil, gas & CBM

**Exhibit "B"**  
**VCI-600022**  
**25-1021-4306**

<b>Tract</b>	<b>Lessor</b>	<b>Lease Status</b>	<b>Interest Within Unit</b>	<b>Gross Acreage in Unit</b>
<b>Gas Estate Only</b>				
<b>1</b>	EnerVest XIV-A Nora LLC, EnerVest XIV-WIC Nora LLC, & EnerVest Energy Institutional Fund XIV-1A, L.P. Attn: Kevin Miller 408 West Main Street Abingdon, VA 24210 <i>Tax ID - Minerals Only</i>	Owner	48.44000000	28.48000000
<b>2</b>	<i>Tax ID: Minerals Only</i> Fairview Limited Partnership A C/O Patrick Johnson P.O. Box 604 Grundy, VA 24614	Leased (CNX Lessee)	11.39000000	6.69750000
	CIPL LP C/O Anne Lootens 3006 East Autumn Run Circle Sugarland, TX 77479	Leased (CNX Lessee)	3.79666667	2.23250000
	Mary K. Pobst 39 Waterside Dr SE Cartersville, GA 30120-5786	Leased (CNX Lessee)	7.59333333	4.46500000
	Martha E Combs Trustee of The Martha E Combs Trust PO Box 1404 Abingdon, VA 24212	Leased (CNX Lessee)	3.79666667	2.23250000
	John W Pobst Jr PO Box 86 Revere, PA 18953	Leased (CNX Lessee)	3.79666667	2.23250000
	Virginia P. Linwick and Philip G. Linwick 4324 South Ball Dr Veradale, WA 99037	Leased (CNX Lessee)	3.79666667	2.23250000
	Frederick H Combs Testamentary Trust PO Box 841 Tazewell, VA 24651	Leased (CNX Lessee)	3.79666667	2.23250000

**Exhibit "B"**  
**VCI-600022**  
**25-1021-4306**

<b>Tract</b>	<b>Lessor</b>	<b>Lease Status</b>	<b>Interest Within Unit</b>	<b>Gross Acreage in Unit</b>
	<b>Gas Estate Only</b>			
	Meredith Ellis Jennings 542 Butler Mill Rd Maryville, TN 37803	Leased (CNX Lessee)	7.59333333	4.46500000
<b>2</b>	Levisa Coal Company C/O Anne Lootens 3006 East Autumn Run Circle Sugarland, TX 77479	Split Agreement Coal Owner	0.00000000	0.00000000
	CNX Gas Company P.O. Box 643835 Pittsburgh, PA 15264-383	Lessee	0.00000000	0.00000000
	<b>Tract 2 Totals</b>		<b>45.56000000</b>	<b>26.79000000</b>
	<i>Tax ID: Minerals Only</i>			
<b>3</b>	<b>IWJ Hylton Heirs</b> <i>Shirley Sue Hylton Heirs</i>			
	Kayla Victoria Milhoan 3700 Clifton Fork Road Raven, VA 24639	Unleased	0.15750000	0.09250000
	Yvonne H Grindstaff PO Box 617 Keen Mountain, VA 24624	Unleased	0.15750000	0.09250000
	Ruby A Hylton 353 Arrow Street Pounding Mill, VA 24637	Unleased	0.15750000	0.09250000
	Clarence Eugene Hylton Unknown	Unleased	0.15750000	0.09250000
	James C Hylton C/O Wanda Joyce Stanton PO Box 313 Radford, VA 24143	Leased	0.07875000	0.04625000
	Wanda Joyce Stanton PO Box 313 Radford, VA 24143	Leased	0.07875000	0.04625000

**Exhibit "B"**  
**VCI-600022**  
**25-1021-4306**

<b>Tract</b>	<b>Lessor</b>	<b>Lease Status</b>	<b>Interest Within Unit</b>	<b>Gross Acreage in Unit</b>
<b>Gas Estate Only</b>				
	Steven Ross Hylton 1227 Maple Leaf Hollow Road Raven, VA 24639	Unleased	0.05250000	0.03083333
	John Wayne Hylton 1287 Maple Leaf Hollow Road Raven, VA 24639	Unleased	0.05250000	0.03083333
<b>3</b>	Scotty Allan Hylton PO Box 537 New Mechanicsville, WV 26155	Unleased	0.05250000	0.03083333
	<i>Geneva Joyce Heirs</i> Timothy Joyce 302 Spring Drive Cedar Bluff, VA 24609	Unleased	0.01575000	0.00925000
	Steven Joyce 44135 Ailderwood Terrace Ashburn, VA 20147	Unleased	0.01575000	0.00925000
	Andrew Hylton 2213 North Claybourn Avenue Chicago, IL 60614	Unleased	0.03150000	0.01850000
	Opal Bandy 107 Bandy Lane Richlands, VA 24641	Unleased	0.03150000	0.01850000
	Russell Otis Hylton PO Box 626 Pounding Mill, VA 24637	Unleased	0.01575000	0.00925000
<b>3</b>	Mark Anthony Hylton 145 Spring Street Pounding Mill, VA 24637	Unleased	0.01575000	0.00925000
	Jennifer Hylton Deel 29 Wheatfield Drive Fort Mitchell, AL 36856	Unleased	0.00787500	0.00462500

**Exhibit "B"**  
**VCI-600022**  
**25-1021-4306**

<b>Tract</b>	<b>Lessor</b>	<b>Lease Status</b>	<b>Interest Within Unit</b>	<b>Gross Acreage in Unit</b>
<b>Gas Estate Only</b>				
	Jeffery Scott Hylton 428 Kents Ridge Road, Unit 3 Richlands, VA 24641	Unleased	0.00787500	0.00462500
	<i>Joel C. Hylton Heirs</i> Tabitha Faith Hylton 202 Alex Ave, Lot#13 Cedar Bluff, VA 24609	Unleased	0.00787500	0.00462500
<b>3</b>	John Hylton, Jr. 222 Burnette Street Richlands, VA 24641	Unleased	0.00787500	0.00462500
	Rita A Ford 9150 Reedy Creek Road Bristol, VA 24202	Unleased	0.01750000	0.01027778
	Ruby McFall 203 Frog Level Road Clintwood, VA 24228	Leased	0.01750000	0.01027778
	Danny L Hylton PO Box 55 Whitewood, VA 24657	Unleased	0.01750000	0.01027778
	Karen Regina Keen 1228 Black Dog Road Oakwood, VA 24631	Leased	0.01750000	0.01027778
	Shelby Davis 1264 Emerald Crest Drive Bedford, VA 24523	Unleased	0.01312500	0.00770833
<b>3</b>	Shirley McClanahan PO Box 245 Raven, VA 24639	Unleased	0.01312500	0.00770833
	Shelia Ann Henderson 38 Greycliff Drive Englewood, OH 45322	Unleased	0.01312500	0.00770833

**Exhibit "B"**  
**VCI-600022**  
**25-1021-4306**

<b>Tract</b>	<b>Lessor</b>	<b>Lease Status</b>	<b>Interest Within Unit</b>	<b>Gross Acreage in Unit</b>
<b>Gas Estate Only</b>				
<b>3</b>	Keyerra Hylton PO Box 245 Raven, VA 24639	Unleased	0.03062500	0.01798611
	Joshua Long PO Box 174 Mavisdale, VA 24627	Unleased	0.01750000	0.01027778
	<b>Tract 3 Totals</b>		<b>1.26000000</b>	<b>0.74000000</b>
<i>Tax ID: Minerals Only</i>				
<b>4</b>	Ronald E Johnson 2585 Combs Ridge Road Honaker, VA 24260	Unleased	1.23000000	0.72333333
	Joyce Johnson 1068 Compton & Combs Road Honaker, VA 24260	Unleased	1.23000000	0.72333333
	Sheila Jean Stump 2797 Combs Ridge Road Honaker, VA 24260	Unleased	1.23000000	0.72333333
	<b>Tract 4 Totals</b>		<b>3.69000000</b>	<b>2.17000000</b>
<i>Tax ID: Minerals Only</i>				
<b>5</b>	Joyce Johnson 1068 Compton & Combs Road Honaker, VA 24260	Unleased	0.83000000	0.49000000
<i>Tax ID: 2HH137020</i>				
<b>6</b>	Gregory & Audrey Rasnake 1080 Compton & Combs Road Honaker, VA 24260	Unleased	0.22000000	0.13000000

**Exhibit "B"**  
**VCI-600022**  
**25-1021-4306**

<b>Tract</b>	<b>Lessor</b>	<b>Lease Status</b>	<b>Interest Within Unit</b>	<b>Gross Acreage in Unit</b>
<b>Gas Estate Only</b>				
<b>TOTAL GAS ESTATE</b>			<b>100.00000000</b>	<b>58.80000000</b>
Percentage of Unit Leased		48.63250000		
Percentage of Unit Unleased		51.36750000		
Acreage in Unit Leased		28.59305556		
Acreage in Unit Unleased		30.20694444		

**Exhibit "B-3"**  
**VCI-600022**  
**25-1021-4306**

<b>Tract</b>	<b>Lessor</b>	<b>Lease Status</b>	<b>Interest Within Unit</b>	<b>Gross Acreage in Unit</b>
<b>Gas Estate Only</b>				
<b>2</b>	<i>Tax ID: Minerals Only</i> Fairview Limited Partnership A C/O Patrick Johnson P.O. Box 604 Grundy, VA 24614	Leased (CNX Lessee)	11.39000000	6.69750000
	CIPL LP C/O Anne Lootens 3006 East Autumn Run Circle Sugarland, TX 77479	Leased (CNX Lessee)	3.79666667	2.23250000
	Mary K. Pobst 39 Waterside Dr SE Cartersville, GA 30120-5786	Leased (CNX Lessee)	7.59333333	4.46500000
	Martha E Combs Trustee of The Martha E Combs Trust PO Box 1404 Abingdon, VA 24212	Leased (CNX Lessee)	3.79666667	2.23250000
	John W Pobst Jr PO Box 86 Revere, PA 18953	Leased (CNX Lessee)	3.79666667	2.23250000
	Virginia P. Linwick and Philip G. Linwick 4324 South Ball Dr Veradale, WA 99037	Leased (CNX Lessee)	3.79666667	2.23250000
	Frederick H Combs Testamentary Trust PO Box 841 Tazewell, VA 24651	Leased (CNX Lessee)	3.79666667	2.23250000
	Meredith Ellis Jennings 542 Butler Mill Rd Maryville, TN 37803	Leased (CNX Lessee)	7.59333333	4.46500000

**Exhibit "B-3"**  
**VCI-600022**  
**25-1021-4306**

<b>Tract</b>	<b>Lessor</b>	<b>Lease Status</b>	<b>Interest Within Unit</b>	<b>Gross Acreage in Unit</b>
<b>Gas Estate Only</b>				
<b>2</b>	Levisa Coal Company c/o Patrick Johnson P.O. Box 604 Grundy, VA 24614	Split Agreement	0.00000000	0.00000000
	CNX Gas Company P.O. Box 643835 Pittsburgh, PA 15264-383	Lessee	0.00000000	0.00000000
<b>Tract 2 Totals</b>			<b>45.56000000</b>	<b>26.79000000</b>
<i>Tax ID: Minerals Only</i>				
<b>3</b>	<b>IWJ Hylton Heirs</b> <i>Shirley Sue Hylton Heirs</i>			
	Kayla Victoria Milhoan 3700 Clifton Fork Road Raven, VA 24639	Unleased	0.15750000	0.09250000
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	Ruby A Hylton 353 Arrow Street Pounding Mill, VA 24637	Unleased	0.15750000	0.09250000
	Clarence Eugene Hylton Unknown	Unleased	0.15750000	0.09250000
	Steven Ross Hylton 1227 Maple Leaf Hollow Road Raven, VA 24639	Unleased	0.05250000	0.03083333
	John Wayne Hylton 1287 Maple Leaf Hollow Road Raven, VA 24639	Unleased	0.05250000	0.03083333
<b>3</b>	Scotty Allan Hylton PO Box 537 New Mechanicsville, WV 26155	Unleased	0.05250000	0.03083333

**Exhibit "B-3"**  
**VCI-600022**  
**25-1021-4306**

<b>Tract</b>	<b>Lessor</b>	<b>Lease Status</b>	<b>Interest Within Unit</b>	<b>Gross Acreage in Unit</b>
<b>Gas Estate Only</b>				
	<i>Geneva Joyce Heirs</i>			
	Timothy Joyce 302 Spring Drive Cedar Bluff, VA 24609	Unleased	0.01575000	0.00925000
<b>3</b>	Steven Joyce 44135 Ailderwood Terrace Ashburn, VA 20147	Unleased	0.01575000	0.00925000
	Andrew Hylton 2213 North Claybourn Avenue Chicago, Il 60614	Unleased	0.03150000	0.01850000
	Opal Bandy 107 Bandy Lane Richlands, VA 24641	Unleased	0.03150000	0.01850000
	Russell Otis Hylton PO Box 626 Pounding Mill, VA 24637	Unleased	0.01575000	0.00925000
	Mark Anthony Hylton 145 Spring Street Pounding Mill, VA 24637	Unleased	0.01575000	0.00925000
	Jennifer Hylton Deel 29 Wheatfield Drive Fort Mitchell, AL 36856	Unleased	0.00787500	0.00462500
	Jeffery Scott Hylton 428 Kents Ridge Road, Unit 3 Richlands, VA 24641	Unleased	0.00787500	0.00462500
	<i>Joel C. Hylton Heirs</i>			
<b>3</b>	Tabitha Faith Hylton 202 Alex Ave, Lot#13 Cedar Bluff, VA 24609	Unleased	0.00787500	0.00462500
	John Hylton, Jr. 222 Burnette Street Richlands, VA 24641	Unleased	0.00787500	0.00462500

**Exhibit "B-3"**  
**VCI-600022**  
**25-1021-4306**

<b>Tract</b>	<b>Lessor</b>	<b>Lease Status</b>	<b>Interest Within Unit</b>	<b>Gross Acreage in Unit</b>
<b>Gas Estate Only</b>				
	Rita A Ford 9150 Reedy Creek Road Bristol, VA 24202	Unleased	0.01750000	0.01027778
	Danny L Hylton PO Box 55 Whitewood, VA 24657	Unleased	0.01750000	0.01027778
<b>3</b>	Shelby Davis 1264 Emerald Crest Drive Bedford, VA 24523	Unleased	0.01312500	0.00770833
	Shirley McClanahan PO Box 245 Raven, VA 24639	Unleased	0.01312500	0.00770833
	Shelia Ann Henderson 38 Greycliff Drive Englewood, OH 45322	Unleased	0.01312500	0.00770833
	Keyerra Hylton PO Box 245 Raven, VA 24639	Unleased	0.03062500	0.01798611
	Joshua Long PO Box 174 Mavisdale, VA 24627	Unleased	0.01750000	0.01027778
	<b>Tract 3 Totals</b>		<b>1.06750000</b>	<b>0.62694444</b>
	<i>Tax ID: Minerals Only</i>			
<b>4</b>	Ronald E Johnson 2585 Combs Ridge Road Honaker, VA 24260	Unleased	1.23000000	0.72333333
	Joyce Johnson 1068 Compton & Combs Road Honaker, VA 24260	Unleased	1.23000000	0.72333333

**Exhibit "B-3"**  
**VCI-600022**  
**25-1021-4306**

<b>Tract</b>	<b>Lessor</b>	<b>Lease Status</b>	<b>Interest Within Unit</b>	<b>Gross Acreage in Unit</b>
<b>Gas Estate Only</b>				
	Sheila Jean Stump 2797 Combs Ridge Road Honaker, VA 24260	Unleased	1.23000000	0.72333333
	<b>Tract 4 Totals</b>		<b>3.69000000</b>	<b>2.17000000</b>
	<i>Tax ID: Minerals Only</i>			
<b>5</b>	Joyce Johnson 1068 Compton & Combs Road Honaker, VA 24260	Unleased	0.83000000	0.49000000
	<i>Tax ID: 2HH137020</i>			
<b>6</b>	Gregory & Audrey Rasnake 1080 Compton & Combs Road Honaker, VA 24260	Unleased	0.22000000	0.13000000
	<b>TOTAL GAS ESTATE</b>		<b>51.36750000</b>	<b>30.20694444</b>

Company: EnerVest Operating, L.L.C.

Virginia Gas And Oil Template -- Estimate Authorization For Expenditure (AFE)

AFE #	VC-600022
Location:	Buchanan County, VA
Expected Pay Zones:	PENNSYLVANIAN COALS
Proposed Work:	DRILL, COMPLETE AND PLACE INTO PRODUCTION
Property #	Version # 1
Field:	NORA FIELD
Operator:	EnerVest Operating, L.L.C.
Completed By:	TEAM
Estimated Total Depth:	3,400 FT
Participant(s):	EnerVest Operating, L.L.C.
W.I.:	100%
AAPG Class:	DEVELOPMENT
Amount:	\$790,067

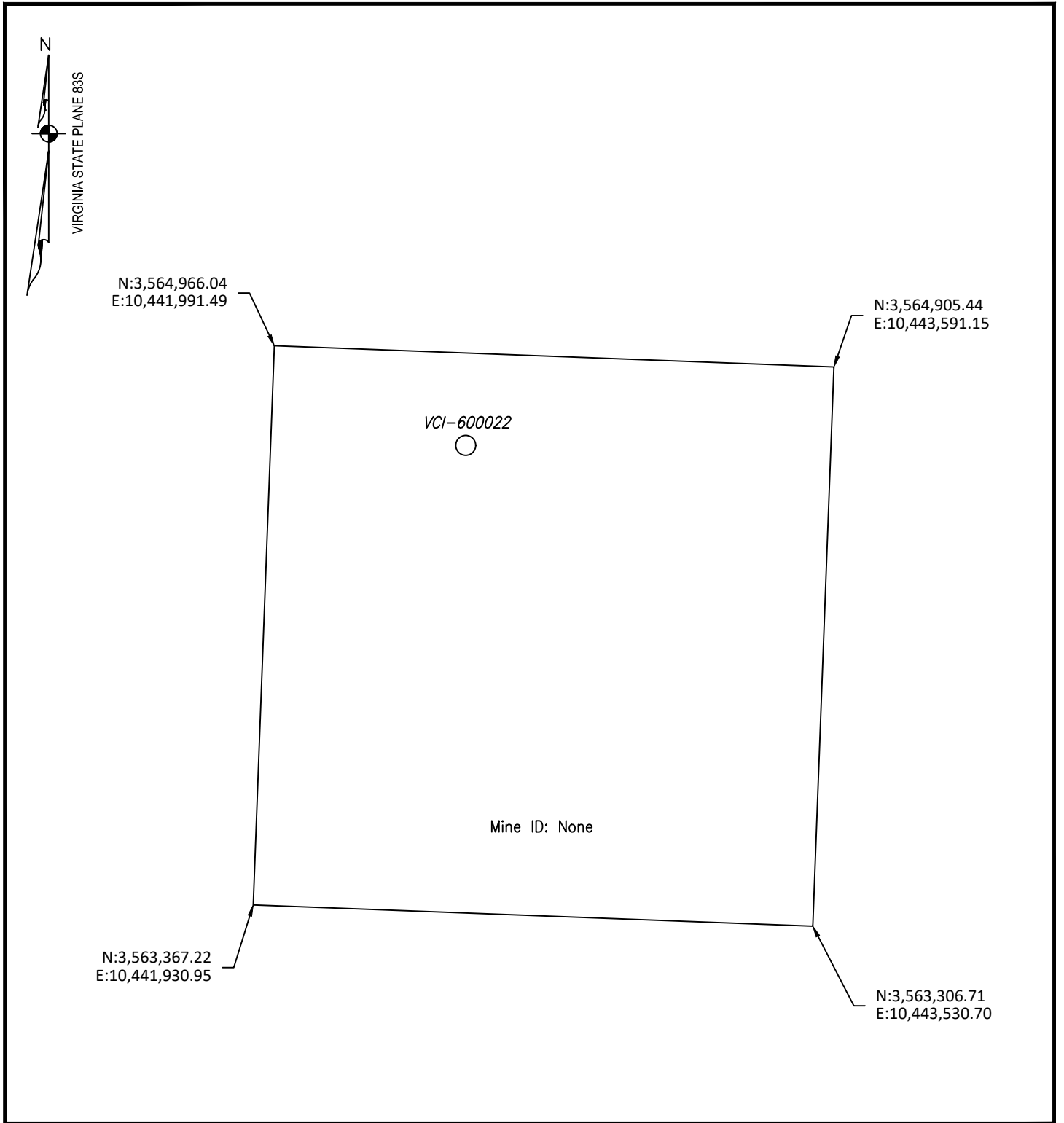
Description	Casing Point	Completion	Total Cost
Leasehold Costs	\$0	\$0	\$0
Permit / Title Opinion / Survey / Insurance	\$9,900	\$0	\$9,900
Building Location/Materials	\$93,500	\$0	\$93,500
Roads / Stone / Culverts	\$11,000	\$3,000	\$14,000
Surface Damages	\$12,000	\$0	\$12,000
Drilling - Footage	\$97,410	\$0	\$97,410
Drilling - Mobilization	\$0	\$0	\$0
Drilling - Dayrate	\$0	\$0	\$0
Mud & Chemicals (Drilling)	\$0	\$0	\$0
Fuel	\$1,000	\$0	\$1,000
Cement Services	\$9,868	\$18,700	\$28,568
Open Hole Logging & Testing	\$4,870	\$0	\$4,870
Trucking / Dozer (Drilling)	\$500	\$0	\$500
Rental Tools & Equipment (Drilling)	\$0	\$0	\$0
Drilling - Bits	\$0	\$0	\$0
Technical Supervision (Drilling)	\$0	\$0	\$0
Fresh Water Hauling (Drilling)	\$0	\$0	\$0
Overhead Rate	\$7,000	\$3,000	\$10,000
Misc. & Contingencies (Insurance)	\$500	\$0	\$500
Location Rds/Stone/Culverts	\$0	\$0	\$0
Trucking / Dozer (Completion)	\$0	\$25,000	\$25,000
Technical Supervision (Completion)	\$0	\$3,600	\$3,600
Cased Hole Logging / Perforating	\$0	\$34,625	\$34,625
Stimulation / Fracturing	\$0	\$103,660	\$103,660
Completion Rig	\$0	\$51,000	\$51,000
Reclamation & Damages	\$12,000	\$0	\$12,000
Haul Pit Water / Disposal	\$0	\$2,500	\$2,500
Cement Production Casing	\$0	\$0	\$0
Rental Tools & Equipment (Completion)	\$0	\$1,000	\$1,000
Fresh Water Hauling (Completion)	\$500	\$6,585	\$7,085
Roustabout Labor	\$1,000	\$1,000	\$2,000
Environmental & Safety	\$1,000	\$1,000	\$2,000
<b>TOTAL INTANGIBLES</b>	<b>\$261,048</b>	<b>\$263,670</b>	<b>\$524,718</b>

Description	Casing Point	Completion	Total Cost
" Conductor	40 Ft	\$1,200	\$1,200
" 26 lb/ft LS Surface Csg	300 Ft	\$4,050	\$4,050
" 19 lb/ft LS Intermediate Csg	1104 Ft	\$0	\$0
4 1/2" 9.5 lb/ft M-65 Production Csg	Ft	\$0	\$0
4 1/2" 10.5 lb/ft M-65 Production Csg	3,200 Ft	\$49,233	\$49,233
2-3/8" 4.7 lb/ft J55 8rd Production Tubing	3,150 Ft	\$30,471	\$30,471
Wellhead Equipment / Fittings	\$2,417	\$1,176	\$3,594
Tank Battery	\$0	\$14,930	\$14,930
Separator / Heater / Treater	\$0	\$3,072	\$3,072
Gas Lift Equipment	\$0	\$0	\$0
Rods / Stuffing Box	\$0	\$8,917	\$8,917
Downhole Pump	\$0	\$2,200	\$2,200
Pumping Unit / Motor	\$0	\$20,066	\$20,066
Electric Service & Equipment	\$0	\$56,124	\$56,124
Vaives & Fittings	\$0	\$4,714	\$4,714
Flow Line labor/material	\$0	\$8,050	\$8,050
Sales line labor/mat/row	\$0	\$58,728	\$58,728
<b>TOTAL TANGIBLES</b>	<b>\$7,667</b>	<b>\$257,662</b>	<b>\$265,349</b>
<b>GRAND TOTAL WELL COST</b>	<b>\$268,715</b>	<b>\$521,332</b>	<b>\$790,067</b>
Plugging & Abandonment	\$35,000		

Production Costs :	\$790,067	Dry Hole Costs :	\$303,715
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Operations	<i>Law Lamborn</i>	Date	<u>9/2/2025</u>
Engineering	<i>Michael DeGor</i>	Date	<u>9/2/2025</u>
Geology	<i>John [Signature]</i>	Date	<u>9/2/2025</u>
Land	<i>Kevin [Signature]</i>	Date	<u>9/2/2025</u>

THIS IS AN ESTIMATE OF PROTECTED WELL DRILLING, COMPLETION, EQUIPMENT AND PIPELINE COSTS. THESE ESTIMATES ARE PROJECTIONS ONLY AND ACTUAL BILLED COSTS MAY VARY FROM WELL TO WELL DEPENDING UPON ACTUAL FINAL DEPTH AND OTHER FACTORS INCLUDING, BUT NOT LIMITED TO, SEASONAL MATERIAL COSTS, WEATHER CONDITIONS, AND UNFORESEEN RIGHT-OF-WAY PROBLEMS.



WELL & MINE LOCATION MAP NORA GRID BK-95

COMPANY EnerVest Operating, LLC WELL NAME AND NUMBER VCI-600022  
 QUADRANGLE Big A Mountain PERMIT NO. \_\_\_\_\_ SCALE 1" = 400' DATE 3-7-25

NOTE: The mine locations are approximate locations taken from downloaded DMME data.  
 The maps are to be used for anticipated drilling hazards only.



**EnerVest Operating, L.L.C**

408 West Main Street  
Abingdon, VA 24210  
Phone (276) 628-9001

September 5, 2025

Mr. James P. Skorupa  
Virginia Department of Energy  
Gas and Oil  
3405 Mountain Empire Road  
Big Stone Gap, VA 24219

Re: **Due Diligence**  
**IWJ Hylton Heirs 7.25 Acre Tract**  
**VC-600022**

Dear Mr. Skorupa:

According to the public records of Buchanan County, Virginia, IWJ Hylton was the record title owner to the surface, oil, and gas under a 7.25 acre tract in 1954. By Will Book 2, Page 415 of record in Buchanan County, IWJ Hylton devised a life estate unto his wife and the property to be passed to his eight sons upon his death as of November 1, 1954. The eight sons listed within were Charlie Hylton, Otis Hylton, Henry Hylton, Leonidas Hylton, John Lewis Hylton, Elmer Hylton, Clarence Eugene Hylton and Isaac Billie Hylton.

Enervest personnel have reviewed third party title opinions and attempted to update the owners, but has been unable to find any current information on a Clarence Eugene Hylton, his heirs or assigns. There is no Will or List of Heirs filed in Buchanan County, Virginia, for Clarence Eugene Hylton, and record title to this portion of the oil and gas stops with this individual. It is my opinion that an accurate and complete list of current heirs for Clarence Eugene Hylton would be impossible to gather.

Therefore, Enervest Operating Company, Inc. has made a diligent effort to locate the unknown heirs of Clarence Eugene Hylton.

Please feel free to contact me by email [lreeves@enervest.net](mailto:lreeves@enervest.net) or 276-926-1356 should you have any questions or need additional information.

Sincerely,

  
Larry Reeves II  
ENERVEST OPERATING, LLC

CC: Tim Scott

VIRGINIA:

BEFORE THE VIRGINIA DEPARTMENT OF ENERGY

APPLICANT:	<b>EnerVest Operating, LLC</b>	)	VIRGINIA GAS
RELIEF SOUGHT	POOLING OF INTERESTS IN A <b>58.80</b>	)	AND OIL BOARD
	ACRE SQUARE DRILLING UNIT	)	
	DESCRIBED IN <b>EXHIBIT A</b> HERETO	)	DOCKET NO.
	LOCATED IN THE <b>NORA</b> COALBED	)	VGOB-25-1021-4306
	GAS FIELD AND SERVED BY WELL	)	
	No. <b>VCI-600022-CBM Unit 95-BK</b>	)	
	(herein "Subject Drilling Unit")	)	
	PURSUANT TO VA CODE §§	)	
	45.2.1620 AND 45.2-1622, FOR	)	
	THE PRODUCTION OF OCCLUDED	)	
	NATURAL GAS PRODUCED FROM	)	
	COALBEDS AND ROCK STRATA	)	
	ASSOCIATED THEREWITH (herein	)	
	"Coalbed Methane Gas" or "Gas")	)	

LEGAL DESCRIPTION:

SUBJECT DRILLING UNIT SERVED BY WELL  
NUMBERED **VCI-600022-CBM Unit 95-BK**  
("Well") TO BE DRILLED IN THE LOCATION  
DEPICTED ON **EXHIBIT A** HERETO,  
J.R. Johnson T-592 Tract  
**60.00 acres, more or less**  
**BIG A MOUNTAIN QUADRANGLE**  
**HURRICANE DISTRICT**  
**BUCHANAN COUNTY, VIRGINIA**  
(the "Subject Lands" are more particularly described  
on **Exhibit A**, attached hereto and made a part  
hereof)

REPORT OF THE BOARD

FINDINGS AND ORDER

1. Hearing Date and Place: This matter came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at **10:00 a.m. on October 21, 2025** at the 3405 Mountain Empire Road, Big Stone Gap, Virginia.
2. Appearances: **Timothy E. Scott** appeared for the Applicant.
3. Jurisdiction and Notice: Pursuant to Va. Code §§ 45.2.1600 et seq., the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by Applicant, the Board also finds that the Applicant has (1) exercised due diligence in

conducting a meaningful search of reasonably available sources to determine the identity and whereabouts of each gas and oil owner, coal owner, or mineral owner and/or potential owner, i.e., person identified by Applicant as having ("Owner") or claiming ("Claimant") the rights to Coalbed Methane Gas including all Pennsylvanian age coals from the top of the Aily, including but not limited to Raven, Jawbone Rider, Jawbone, Tiller, Upper Seaboard, Greasy Creek, Upper Horsepen, Middle Horsepen, War Creek, Beckley, Lower Horsepen, Pocahontas #9, Pocahontas #3, Pocahontas #2, Pocahontas #1 and any unnamed coal seams and other associated formations known as the Nora Coalbed Gas Field (hereafter "Subject Formations") in the Subject Drilling Unit underlying and comprised of Subject Lands; (2) represented it has given notice to those parties so identified (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships associations, companies, businesses, trusts, joint ventures or other legal entities) entitled by Va. Code §§ 45.2-1618 and 45.2-1622, to notice of the application filed herein; and (3) that the persons set forth in **Exhibit B-3** hereto have been identified by Applicant as persons who may be Owners or Claimants of Coalbed Methane Gas interests in Subject Formations in the Subject Drilling Unit who have not heretofore agreed to lease or sell to the Applicant and/or voluntarily pool their Gas interests. Further, the Board has caused notice of this hearing to be published as required by Va. Code § 45.2.1618. Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements, and the minimum standards of state due process.

4. Amendments: None.

5. Dismissals: None.

6. Relief Requested: Applicant requests (1) that pursuant to Va. Code § 45.2-1622, including the applicable portions of § 45.2-1620, the Board pool the rights, interests and estates in and to the Gas in the Subject Drilling Unit, including those of the Applicant and of the known and unknown persons named in **Exhibit B-3** hereto and that of their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, for the drilling and operation, including production, of Coalbed Methane Gas produced from the Subject Drilling Unit established for the Subject Formations underlying and comprised of the Subject Lands, (hereafter sometimes collectively identified and referred to as "well development and/or operation in the Subject Drilling Unit"); and, (2) that the Board designate **EnerVest Operating, LLC** as the Unit Operator.

7. Relief Granted: The requested relief in this cause shall be and hereby is granted and: (1) pursuant to Va. Code § 45.2-1620, **EnerVest Operating, LLC** (hereafter "Unit Operator" or "Operator") is designated as the Unit Operator authorized to drill and operate the Well in Subject Drilling Unit at the location depicted on the plat attached hereto as **Exhibit A**, subject to the permit provisions contained in Va. Code § 45.2.1629, et seq., to §§ 4 VAC 25-150 et seq., Gas and Oil Regulations; to § 4 VAC 25-160 et seq., Virginia Gas and Oil Board Regulations and to the Nora Coalbed Gas Field Rules established by the Oil and Gas Conservation Board's Order entered March 26, 1989; all as amended from time to time; and (2) all the interests and estates in and to the Gas in Subject Drilling Unit, including that of the Applicant, the Unit Operator and of the known and unknown persons listed on **Exhibit B-3**, attached hereto and made a part hereof, and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, be and hereby are pooled in the Subject Formations in the Subject Drilling Unit underlying and comprised of the Subject Lands.

Pursuant to the Nora Coal Field Rules promulgated under the authority of Va. Code § 45.2-1619, the Board has adopted the following method for the calculation of production and revenue and allocation of allowable costs for the production of Coalbed Methane Gas.

For Frac Well Gas. - Gas shall be produced from and allocated to only the **58.80**-acre drilling unit in which the well is located according to the undivided interests of each Owner/Claimant within the unit, which undivided interest shall be the ratio (expressed as a percentage) that the amount of mineral acreage within each separate tract that is within the Subject Drilling Unit, when platted on the surface, bears to the total mineral acreage, when platted on the surface, contained within the entire **58.80**-acre drilling unit in the manner set forth in the Nora Field Rules.

8. Election and Election Period: In the event any Owner or Claimant named in **Exhibit B-3** hereto does not reach a voluntary agreement to share in the operation of the well located in the Subject Drilling Unit, at a rate of payment mutually agreed to by said Gas Owner or Claimant and the Unit Operator, then such person named may elect one of the options set forth in Paragraph 9 below and must give written notice of his election of the option selected under Paragraph 9 to the designated Unit Operator at the address shown below within thirty (30) days from the date of receipt of a copy of this Order. A timely election shall be deemed to have been made if, on or before the last day of said 30-day period, such electing person has delivered his written election to the designated Unit Operator at the address shown below or has duly postmarked and placed its written election in first class United States mail, postage prepaid, addressed to the Unit Operator at the address shown below.

9. Election Options:

9.1 Option 1 - To Participate In the Well Development and Operation of the Drilling Unit: Any Gas Owner or Claimant named in **Exhibit B-3** who does not reach a voluntary agreement with the Unit Operator may elect to participate in the Well Development and Operation in the Subject Drilling Unit (hereafter "Participating Operator") by agreeing to pay the estimate of such Participating Operator's proportionate part of the actual and reasonable costs of the well Development contemplated by this Order for Gas produced pursuant to the Nora Field Rules, including a reasonable supervision fee, as more particularly set forth in Virginia Gas and Oil Board Regulation 4 VAC 25-160-100 (herein "Completed-for-Production Costs"). Further, a Participating Operator agrees to pay the estimate of such Participating Operator's proportionate part of the Completed-for-Production Cost as set forth below to the Unit Operator within forty-five (45) days from the later of the date of mailing or the date of recording of this Order. The Completed-for-Production Cost for the Subject Drilling Unit is as follows:

Completed-for-Production Costs: **\$790,067.00**

A Participating Operator's proportionate cost hereunder shall be the result obtained by multiplying the Participating Operator's "Interest in Unit" times the Completed-for-Production Cost set forth above. Provided, however, that in the event a Participating Operator elects to participate and fails or refuses to pay the estimate of his proportionate part of the Completed-for-Production Cost as set forth above, all within the time set forth herein and in the manner prescribed in Paragraph 8 of this Order, then such Participating Operator shall be deemed to

have elected not to participate and to have elected compensation in lieu of participation pursuant to Paragraph 9.2 herein.

- 9.2 Option 2 - To Receive A Cash Bonus Consideration: In lieu of participating in the Well development and operation in the Subject Drilling Unit under Paragraph 9.1 above, any Gas Owner or Claimant named in **Exhibit B-3** hereto who has not reached a voluntary agreement with the Unit Operator may elect to accept a cash bonus consideration of **\$5.00** per net mineral acre owned by such person, commencing upon entry of this Order and continuing annually until commencement of production from Subject Drilling Unit, and thereafter a royalty of 1/8th of 8/8ths [twelve and one-half percent (12.5%)] of the net proceeds received by the Unit Operator for the sale of the Gas produced from any Well development and operation covered by this Order multiplied by that person's Interest Within Unit as set forth in **Exhibit B-3** [for purposes of this Order, net proceeds shall be actual proceeds received less post-production costs incurred downstream of the wellhead, including, but not limited to, gathering, compression, treating, transportation and marketing costs, whether performed by Unit Operator or a third person] as fair, reasonable and equitable compensation to be paid to said Gas Owner or Claimant. The initial cash bonus shall become due and owing when so elected and shall be tendered, paid or escrowed within one hundred twenty (120) days of recording of this Order. Thereafter, annual cash bonuses, if any, shall become due and owing on each anniversary of the date of recording of this Order in the event production from Subject Drilling Unit has not theretofore commenced, and once due, shall be tendered, paid or escrowed within sixty (60) days of said anniversary date. Once the initial cash bonus and the annual cash bonuses, if any, are so paid or escrowed, said payment(s) shall be satisfaction in full for the right, interests, and claims of such electing person in and to the Gas produced from Subject Formation in the Subject Lands, except, however, for the 1/8th royalties due hereunder.

Subject to a final legal determination of ownership, the election made under this Paragraph 9.2, when so made, shall be satisfaction in full for the right, interests, and claims of such electing person in any well development and operation covered hereby and such electing person shall be deemed to have and hereby does assign its right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Applicant.

- 9.3 Option 3 - To Share In The Development And Operation As A Non-Participating Person On A Carried Basis And To Receive Consideration In Lieu Of Cash: In lieu of participating in the Well development and operation of Subject Drilling Unit under Paragraph 9.1 above and in lieu of receiving a cash bonus consideration under Paragraph 9.2 above, any Gas Owner or Claimant named in **Exhibit B-3** who has not reached a voluntary agreement with the Unit Operator may elect to share in the well development and operation in Subject Drilling Unit on a carried basis (as a "Carried Well Operator") so that the proportionate part of the Completed-for-Production Costs hereby allocable to such Carried Well Operator's interest is charged against such Carried Well Operator's share of production from Subject Drilling Unit. Such Carried Well Operator's rights, interests, and claims in and to the Gas in Subject Drilling Unit shall be deemed and hereby are assigned to the Unit Operator until the proceeds from the sale of

such Carried Well Operator's share of production from Subject Drilling Unit (exclusive of any royalty, excess or burden reserved in any lease, assignment thereof or agreement relating thereto covering such interest) equals three hundred percent (300%) for a leased interest or two hundred percent (200%) for an unleased interest (whichever is applicable) of such Carried Well Operator's share of the Completed-for-Production Costs allocable to the interest of such Carried Well Operator. When the Unit Operator recoups and recovers from such Carried Well Operator's assigned interest the amounts provided for above, then, the assigned interest of such Carried Well Operator shall automatically revert back to such Carried Well Operator, and from and after such reversion, such Carried Well Operator shall be treated as if it had participated initially under Paragraph 9.1 above; and thereafter, such participating person shall be charged with and shall pay his proportionate part of all further costs of such well development and operation.

Subject to final legal determination or ownership, the election made under this Paragraph 9.3, when so made, shall be satisfaction in full for the right, interests, and claims of such electing person in any Well development and operation covered hereby and such electing person shall be deemed to have an hereby does assign his right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Applicant for the period of time during which its interest is carried as above provided prior to its reversion back to such electing person.

10. Failure to Properly Elect: In the event a person named in **Exhibit B-3** hereto has not reached a voluntary agreement with the Applicant or Unit Operator and fails to elect within the time, in the manner, and in accordance with the terms of this Order, one of the alternatives set forth in Paragraph 9 above for which his interest qualifies, then such person shall be deemed to have elected not to participate in the proposed Well development and operation in Subject Drilling Unit and shall be deemed, subject to any final legal determination of ownership, to have elected to accept as satisfaction in full for such person's right, interests, and claims in and to the Gas the consideration provided in Paragraph 9.2 above for which its interest qualifies, and shall be deemed to have leased and/or assigned his right interests, and claims in and to said Gas produced from Subject Formation in Subject Drilling Unit to the Unit Operator. Persons who fail to properly elect shall be deemed to have accepted the compensation and terms set forth herein at Paragraph 9.2 in satisfaction in full for the right, interests, and claims of such person in and to the Gas produced from Subject Formation underlying Subject Lands.

11. Default By Participating Person: In the event a person named in **Exhibit B-3** elects to participate under Paragraph 9.1, but fails or refuses to pay, to secure the payment or to make an arrangement with the Unit Operator for the payment of such person's proportionate part of the estimated Completed-for-Production Costs as set forth herein, all within the time and in the manner as prescribed in this Order, then such person shall be deemed to have withdrawn his election to participate and shall be deemed to have elected to accept as satisfaction in full for such person's right, interests, and claims in and to the Gas the consideration provided in Paragraph 9.2 above for which his interest qualifies depending on the excess burdens attached to such interest. Whereupon, any cash bonus consideration due as a result of such deemed election shall be tendered, paid or escrowed by Unit Operator within one hundred twenty (120) days after the last day on which such defaulting person under this Order should have paid his proportionate part of such cost or should have made satisfactory arrangements for the payment

thereof. When such cash bonus consideration is paid or escrowed, it shall be satisfaction in full for the right, interests, and claims of such person in and to the Gas underlying Subject Drilling Unit in the Subject Lands covered hereby, except, however, for any 1/8th royalties which would become due pursuant to Paragraph 9.2 hereof.

12. Assignment of Interest: In the event a person named in **Exhibit B-3** is unable to reach a voluntary agreement to share in the Well development and operation in Subject Drilling Unit at a rate of payment agreed to mutually by said Gas Owner or Claimant and the Unit Operator, and said person elects or fails to elect to do other than participate under Paragraph 9.1 above in the Well development and operation in Subject Drilling Unit, then such person shall be deemed to have and shall have assigned unto Unit Operator such person's right, interests, and claims in and to said Well, in Subject Formations in Subject Drilling Unit, and other share in and to Gas production to which such person may be entitled by reason of any election or deemed election hereunder in accordance with the provisions of this Order governing said elections.

13. Unit Operator (or Operator): **EnerVest Operating, LLC** shall be and hereby is designated as Unit Operator authorized to drill and operate the Well(s) in Subject Formations in Subject Drilling Unit, all subject to the permit provisions contained in Va. Code §§ 45.2-1629 et seq.; §§ 4 VAC 25-150 et seq., Gas and Oil Regulations; §§ 4 VAC 25-160 et seq., Virginia Gas and Oil Board Regulations; Oil and Gas Conservation Board ("OGCB") Order establishing the Nora Coalbed Gas Field Rules entered March 26, 1989; all as amended from time to time, and all elections required by this Order shall be communicated to Unit Operator in writing at the address shown below:

**EnerVest Operating, LLC  
408 West Main Street  
Abingdon, VA 24212  
Phone: (276) 628-9001  
Fax: (276) 628-7246  
Attn: Vice President Land**

14. Commencement of Operations: Unit Operator shall commence or cause to commence operations for the drilling of the Well within Subject Drilling Unit within seven hundred thirty (730) days from the date of this Order and shall prosecute the same with due diligence. If the Unit Operator has not so commenced and/or prosecuted, then this order shall terminate, except for any cash sums then payable hereunder; otherwise, unless sooner terminated by Order of the Board, this Order shall expire at 12:00 p.m. on the date on which the well covered by this Order is permanently abandoned and plugged. However, in the event an appeal is taken from this Order, then the time between the filing of the Petition for Appeal and the Final Order of the Circuit Court shall be excluded in calculating the two-year period reference herein.

15. Operator's Lien: Unit Operator, in addition to the other rights afforded hereunder, shall have a lien and a right of set off on the Gas estates, rights, and interests owned by any person subject hereto who elects to participate under Paragraph 9.1 in the Subject Drilling Unit to the extent that costs incurred in the drilling or operation on the Subject Drilling Unit are a charge against such person's interest. Such liens and right of set off shall be separable as to each separate person and shall remain liens until the Unit Operator drilling or operating the Well(s) has been paid the full amounts due under the terms of this Order.

16. Escrow Provisions: The Applicant represented to the Board that there are unknown or unlocatable and there are no conflicting claimants in the Subject Drilling Unit whose payments are subject to the provisions of Paragraph 16.1; and, the Unit Operator has represented to the Board that there are no unlocatable claimants in the Subject Drilling Unit whose payments are subject to the provisions of Paragraph 16.2 hereof.

16.1 Escrow Provisions For Unknown or Unlocatable Persons: If any payment of bonus, royalty payment or other payment due and owing cannot be made because the person entitled thereto cannot be located or is unknown, then such cash bonus, royalty payment or other payment shall not be commingled with any funds of the Unit Operator and shall, pursuant to Va. Code § 45.2-1620 be lessor's share of proceeds shall be paid and held for his benefit. Such escrowed proceeds shall be deemed to be unclaimed property and shall be disposed of pursuant to the provisions of the Virginia Disposition of Unclaimed Property Act (§ 55.1-2500 et seq.) to the address below and shall be deposited by the Operator within one hundred twenty (120) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made by a date which is no later than sixty (60) days after the last day of the month being reported and/or for which funds are subject to deposit. Such funds shall be held for the exclusive use of, and sole benefit of the person entitled thereto until such funds can be paid to such person(s).

Virginia Department of Treasury  
Unclaimed Property Division  
P.O. Box 2478  
Richmond, VA 23218-2478  
Tel: (800) 468-1088

16.2 Escrow Provisions For Conflicting Claimants: If any payment of bonus, royalty payment, proceeds in excess of ongoing operational expenses, or other payment due and owing under this Order cannot be made because the person entitled thereto cannot be made certain due to conflicting claims of ownership and/or a defect or cloud on the title, then such cash bonus, royalty payment, proceeds in excess of ongoing operational expenses, or other payment, together with Participating Operator's Proportionate Costs paid to the Unit Operator pursuant to Paragraph 9.1 hereof, if any, (1) shall not be commingled with any funds of the Unit Operator; and (2) shall, pursuant to Va. Code § 45.2-1622, be deposited by the Operator into the Escrow Account within one hundred twenty (120) days of the recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made by a date which is no later than sixty (60) days after the last day of the month being reported and/or for which funds are subject to deposit. Such funds shall be held for the exclusive use of, and sole benefit of, the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board. Therefore, by this Order, the Escrow Agent named herein or any successor named by the Board, is not required to

establish an interest-bearing escrow account for the Subject Drilling Unit (herein "Escrow Agent"), and to receive and account to the Board pursuant to its agreement for the escrowed funds hereafter described in Paragraph 16.2:

First Bank and Trust Company  
Trust Division  
667 West Main Street  
Abingdon, Virginia 24210  
Tel: (276) 466-9222  
Attn: Jody Maney

17. Special Findings: The Board specifically and specially finds:
- 17.1 Applicant is **EnerVest Operating, LLC**. Applicant is duly authorized and qualified to transact business in the Commonwealth of Virginia;
- 17.2 Applicant **EnerVest Operating, LLC** has made a delegation of authority to **EnerVest Operating, LLC** to explore, develop and maintain the properties and assets of Applicant, now owned or hereafter acquired, and **EnerVest Operating, LLC** has accepted this delegation of authority and agreed to explore, develop and maintain those properties and assets, and has consented to serve as Coalbed Methane Gas Unit Operator for Subject Drilling Unit and to faithfully discharge the duties imposed upon it as Unit Operator by statute and regulations;
- 17.3 Applicant **EnerVest Operating, LLC** is an operator in the Commonwealth of Virginia, and has satisfied the Board's requirements for operations in Virginia;
- 17.4 Applicant **EnerVest Operating, LLC** claims ownership of gas leases, Coalbed Methane Gas leases, and/or coal leases representing **48.6325000%** percent of the oil and gas interest/claims in and to Coalbed Methane Gas in the Subject Drilling Unit; and, Applicant claims the right to explore for, develop and produce Coalbed Methane Gas from Subject Formations in Subject Drilling Unit in **Buchanan** County, Virginia, which Subject Lands are more particularly described in **Exhibit A**;
- 17.5 The estimated total production from Subject Drilling Unit is **850 mmcf**. The estimated amount of reserves from the Subject Drilling Unit is **850 mmcf**;
- 17.6 Set forth in **Exhibit B-3** is the name and last known address of each Owner or Claimant identified by the Applicant as having or claiming an interest in the Coalbed Methane Gas in Subject Formation in Subject Drilling Unit underlying and comprised of Subject Lands, who has not, in writing, leased to the Applicant or the Unit Operator or agreed to voluntarily pool his interests in Subject Drilling Unit for its development. The interests of the Respondents listed in **Exhibit B-3** comprise **51.3675000%** percent of the oil and gas interests/claims in and to the Coalbed Methane Gas in the Subject Drilling Unit;

- 17.7 Applicant's evidence established that the fair, reasonable and equitable compensation to be paid to any person in lieu of the right to participate in the Wells are those options provided in Paragraph 9 above;
- 17.8 The relief requested and granted is just and reasonable, is supported by substantial evidence and will afford each person listed and named in **Exhibit B-3** hereto the opportunity to recover or receive, without unnecessary expense, such person's just and fair share of the production from Subject Drilling Unit. The granting of the Application and relief requested therein will ensure to the extent possible the greatest ultimate recovery of Coalbed Methane Gas, prevent or assist in preventing the various types of waste prohibited by statute and protect or assist in protecting the correlative rights of all persons in the subject common sources of supply in the Subject Lands. Therefore, the Board is entering an Order granting the relief herein set forth.
18. Mailing of Order And Filing Of Affidavit: Applicant or its Attorney shall file an affidavit with the Secretary of the Board within sixty (60) days after the date of recording of this Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of its receipt by Unit Operator to each Respondent named in **Exhibit B-3** pooled by this Order and whose address is known.
19. Availability of Unit Records: The Director shall provide all persons not subject to a lease with reasonable access to all records for Subject Drilling Unit which are submitted by the Unit Operator to said Director and/or his Inspector(s).
20. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and **IT IS SO ORDERED.**
21. Appeals: Appeals of this Order are governed by the provisions of Va. Code Ann. § 45.2-1609 which provides that any order or decision of the Board may be appealed to the appropriate circuit court.
22. Effective Date: This Order shall be effective as of the date of the Board's approval of this Application, which is set forth at Paragraph 1 above.